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SUBJECT: DEPUTY SECRETARY LEW'S SEPTEMBER 15 MEETING
WITH ISRAELI DEPUTY FOREIGN MINISTER DANIEL AYALON

- 11. (U) Classified by NEA Acting Assistant Secretary Ronald Schlicher, reasons 1.4 (b) and (d).
- 12. (U) Date, time and location: September 15, 9:45 a.m., Washington, D.C.
- 13. (U) Participants:

U.S.

Deputy Secretary Jack Lew Office Director Tom Goldberger, Office of Israel and Palestinian Affairs NEA Notetaker Andrew Lentz D(L) Staff Jennifer Butte-Dahl

Israel
Deputy Foreign Minister Daniel Ayalon
Director for Coordination and the Director General's
Bureau Alon Ushpiz
Ambassador Michael Oren
DCM Daniel Arbell

14. (SBU) Summary: Deputy Secretary Jack Lew emphasized to Israeli Deputy Foreign Minister Daniel Ayalon that Israel's use of a "PA-only" stamp for visitors intending to visit the West Bank presented a substantive obstacle to Israel's entry into the visa waiver program (VWP), and pressed Ayalon to stop the practice. On a separate issue, Lew and Ayalon agreed to explore areas for cooperation between the U.S. and Israel to develop water irrigation initiatives in developing countries. On Iran, Ayalon urged the U.S. to keep up pressure on Iran, warning that time is running out.

Invitation to Visit Israel

15. (SBU) Ayalon started the meeting by reiterating his September 14 invitation to the Secretary to visit Israel, either to attend President Peres' Presidential Conference at the end of October or the Saban Forum on November 14.

He stressed Israel's interest in using the Secretary's visit to relaunch the U.S.-Israel strategic dialogue. Ayalon commented that the Secretary has not been to Israel since the installation of the Netanyahu government and that a visit by Secretary Clinton, "whose weight goes beyond her position as Secretary," would nearly be on par with a POTUS visit. Ayalon also extended an invitation for the Deputy Secretary to visit Israel before the end of the year. Lew assured Ayalon that the Secretary wants to visit Israel and that the lack of a visit to date should not be interpreted as a reflection on the health of the relationship.

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- 16. (C) In response to a question from Ayalon about Israel's entry into the visa waiver program (VWP), Lew stressed that the GOI's decision to stamp visitors' passports with a "PA-only" stamp is a substantive obstacle to Israel's entry into the program. Ayalon informed Lew that the MFA is opposed to the stamp, but that the policy is under the jurisdiction of the Ministry of the Interior, over which he has little leverage. Ayalon stressed that the MFA is determined to deal with the issue and, if need be, "engage the Prime Minister to lay down the law."
- 17. (C) Alon Ushpiz, Director for Coordination and the Director General's Bureau, stated "off the record" that it may be useful for Ambassador Cunningham to press Interior Minister Yishai to remove the stamp requirement.

Lew emphasized that he did not want to take any action that could be construed as inflammatory and said he would confer with Senator Mitchell's staff to determine if approaching the Ministry of Interior on this issue makes sense now in the context of other requests. Lew also promised a briefing for the DCM in Washington with the sequence of events involved in the VWP review process, which could be initiated once threshold issues, including Israel's visa refusal rate and entry restrictions, are addressed.

Joint Israeli-U.S. Water Projects

18. (C) Lew informed Ayalon that when he was in India with the Secretary, the Secretary had expressed her interest in exploring areas for trilateral cooperation with Israel and third countries on irrigation and farming in desert areas. Ayalon, describing himself as "enthusiastically receptive" to the idea, said that Israel would be eager to work formally with USAID through Israel's development agency Mashav in India as well as Latin America and Africa, from which FM Lieberman recently returned. Ayalon said that African and Latin American nations seem receptive to Israeli development assistance, and that joint water projects with the U.S. would provide a cheap yet effective way to counter what he described as Iran's political penetration into these areas. Lew said that the Department would identify someone at USAID to continue

Iran

this discussion.

19. (C) Ayalon stated that time to deal with Iran's nuclear threat is running out and that he hopes that the meetings set for October will make the way ahead "crystal clear" for Iran as well as Israel. Lew assured Ayalon that we intend to keep pressure on Iran while also creating opportunities for dialogue, stressing that we have to be willing to give the process time to show results. Lew emphasized, however, that time is not unlimited and that the U.S. expects to see results by the end of October and certainly by the end of the year. CLINTON